

ROBINSON & COLE

LAW OFFICES

ONE COMMERCIAL PLAZA
HARTFORD, CONNECTICUT 06103-3597
203-275-8200

FINANCIAL CENTRE
POST OFFICE BOX 10305
STAMFORD, CONNECTICUT 06904-2305
203-964-1200

TELECOPIER HARTFORD 203-275-8299
TELECOPIER STAMFORD 203-359-8576
TELEX BOTH OFFICES 99-4407

November 3, 1989
PLEASE REPLY TO HARTFORD

THOMAS L. SMITH
HARTFORD
203-275-8245

16598
RECORDING NO. _____ FILED 1425
NOV 7 1989 -10 35 AM
INTERSTATE COMMERCE COMMISSION

Secretary
Interstate Commerce Commission
Washington, D.C. 20423

9-311A013

Re: File No.

Dear Madam:

I enclose for your recordation in accordance with 49 U.S.C. §11303 an executed and notarized copy of a Security Agreement dated October 6, 1989, and three copies of that Security Agreement. No previous filings have been made with respect to the railroad equipment herein described. The names and addresses of the parties to the above document and a description of the railroad equipment are as follows:

Grantor:

The Valley Railroad Company
Railroad Avenue
Essex, CT 06426

Secured Party:

The Connecticut Bank and Trust Company, N.A.
88 West Main Street
Clinton, CT 06413
Attn: W. J. Short, V.P.

Collateral Covered:

Steam Locomotive, Type SY, with tender, serial no. M1647, manufactured by Heilong Jiang Multipower Import and Export Corp., and related spare parts and tools.

The undersigned certifies that the summary description of the security instrument contained herein corresponds to the documents attached.

Handwritten signature: Thomas L. Smith

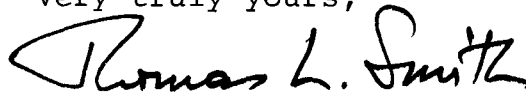
NOV 13 1989

ROBINSON & COLE

Secretary
Page 2
November 3, 1989

A filing fee is enclosed. We would appreciate your filing the original counterpart of the enclosed Security Agreement under the provisions of 49 U.S.C. §11303 and stamping the additional copies of the document for return to the parties involved in the transaction. We would also appreciate your returning to us a stamped copy of this transmittal letter, which is enclosed.

Very truly yours,

A handwritten signature in black ink, appearing to read "Thomas L. Smith". The signature is written in a cursive style with a large, stylized "T" and "S".

Thomas L. Smith

TLS/fco

Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

11/7/89

OFFICE OF THE SECRETARY

Thomas L. Smith
Robinson & Cole
One Commercial Plaza
Hartford, Connecticut 06103

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 11/7/89 at 10:35am and assigned recordation number(s). 16598

Sincerely yours,



Noreta R. McGee
Secretary

Enclosure(s)

16598
RECORDED NO. FILED 145
NOV 7 1989 - 10 35 AM
INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

This annex is for a Security Agreement in the name of (Borrower) The Valley
Railroad Company, dated October 6, 1989.

DESCRIPTION OF COLLATERAL AS FOLLOWS:

10/14/89
Vee (WS) One New Steam Locomotive, Type SY, and Tender
Serial Number M1647, manufactured by ~~Heilong~~ Heilong
Jiang Multipower Import and Export Corp. China
62, Daqin Rd., Harbin China

Axle Arrangement 1-4-1, 4 Axle Tender (8wheel).

Engine Bare Packing 75.5 Tons

Tender Bare Packing 18.9 Tons

All related Spare Parts and Tools.

WS
Borrower's Initials



THE CONNECTICUT BANK
AND TRUST COMPANY, N.A.

RECORDATION NO. 16598
FILED 1445

NOV 7 1989 - 10 35 AM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

To: The Connecticut Bank and Trust Company, N.A.

1. COLLATERAL

The undersigned ("Debtor") grants to The Connecticut Bank and Trust Company, N.A. ("CBT") a continuing security interest in the following collateral ("Collateral"):

("X" boxes that apply)

- ☐ All of Debtor's presently owned or after acquired accounts, contract rights, instruments, documents, chattel paper and general intangibles.
- ☐ All of Debtor's presently owned or after acquired inventory, including all documents representing same.
- ☐ All of Debtor's presently owned or after acquired equipment.
- ☒ The Collateral described in the attached Annex.
- ☒ All proceeds, including the proceeds of insurance, of the above Collateral.
- ☒ All terms used to describe the Collateral are as defined in the Uniform Commercial Code.

2. OBLIGATIONS SECURED

The Collateral shall secure the payment of all present and future indebtedness and liabilities of Debtor to CBT however incurred ("Obligations"). The Obligations include, without limitation, all present and future loans, advances and other extensions of credit to Debtor by CBT, any guarantees and endorsements by Debtor in CBT's favor, and all related interest, fees, charges and expenses.

3. DUTIES OF DEBTOR REGARDING COLLATERAL

- (a) Debtor shall maintain the Collateral in good condition and repair.
- (b) Debtor shall promptly provide to CBT such lists and schedules of and other information as to the Collateral as CBT may specify from time to time. Debtor shall enable CBT to inspect the Collateral whenever CBT specifies.
- (c) Debtor shall procure and maintain insurance on the Collateral of such types, coverages, forms and amounts as may be satisfactory to CBT. If CBT so specifies, Debtor will make any insurance policies affecting the Collateral payable to CBT.
- (d) Debtor shall keep the Collateral free and clear of all other security interests, liens, or encumbrances of any kind. Debtor will pay promptly all taxes and other governmental charges on the Collateral.
- (e) Without CBT's prior written consent, Debtor shall not (1) sell, assign, lease or otherwise dispose of any of the collateral or (2) remove any of the Collateral from its present location (except that Collateral which is inventory may be sold or used in the ordinary course of Debtor's business).

4. DEFAULT

- (a) Debtor shall be in default under this Security Agreement if any of the following occurs:
 - (1) Debtor fails to make any payment on any Obligation when due; or
 - (2) Debtor fails to perform any other provision of this Security Agreement or of any other agreement, note or other instrument in CBT's favor; or
 - (3) Debtor or any endorser or guarantor of an Obligation shall die or be dissolved; or shall make an assignment for the benefit of creditors; or shall have a receiver, custodian, trustee or conservator appointed for substantially all its assets; or
 - (4) Any proceeding under any bankruptcy, insolvency or relief of debtors laws affecting Debtor or any endorser or guarantor of any Obligation shall be commenced; or
 - (5) CBT shall at any time in good faith deem itself insecure with respect to any Obligation.
- (b) If Debtor shall be in default under this Security Agreement, CBT may, at CBT's option and without notice or demand, declare all Obligations to be immediately due and payable. As to any Collateral, CBT shall have the rights and remedies of a secured creditor under the Uniform Commercial Code. If CBT should be required by law to give any notice to Debtor of the sale of any Collateral, Debtor agrees that notice mailed postage prepaid to Debtor's address below at least 5 days before the sale shall be reasonable.

5. MISCELLANEOUS

- (a) Debtor shall pay all costs and expenses (including reasonable attorneys' fees) incurred by CBT in enforcing, collecting or realizing upon any of the Obligations or the Collateral or in safeguarding the Collateral.
- (b) Debtor acknowledges that the Obligations are commercial transactions and waives its rights to notice or hearing under Chapter 903a of the Connecticut General Statutes, or as otherwise required by any law, with respect to any prejudgment remedy which CBT may use.
- (c) This Security Agreement shall be governed by the laws of Connecticut.
- (d) All rights of CBT under this Security Agreement and in and to the Collateral shall pass to and may be exercised by any assignee or successor of CBT. All obligations of Debtor shall bind its heirs, executors, personal representatives, successors and assigns.

6. OTHER PROVISIONS

- ☐ Additional provisions of this Security Agreement are set forth in the attached Annex.

Dated: October 6, 19 89

Accepted and Agreed to:
The Connecticut Bank and Trust Company, N.A.

By: William J. Short
(SIGNATURE)

William J. Short, Vice President
(NAME AND TITLE OF SIGNATORY)

88 West Main Street
(CBT ADDRESS)

Clinton, CT 06413

Debtor: The Valley Railroad Company

By: [Signature]
(SIGNATURE)

(TYPED OR PRINTED NAME OF SIGNATORY)

(TITLE OF SIGNATORY)

Railroad Avenue

(ADDRESS OF DEBTOR)

Essex, CT 06426

STATE OF CONNECTICUT

COUNTY OF New Haven)

ss:

Hamden

The foregoing instrument was acknowledged before me this 31st day of October, 1989 by John P. Burnham and Paul Orcutt, the Chairman and Treasurer, respectively of THE VALLEY RAILROAD COMPANY, a Connecticut corporation, on behalf of the corporation.

Mary Ann L. Chiao
Notary Public
[Notarial Seal]

My Commission Expires
March 31, 1990

